

Africa Unit

Management Development Plan  
for Technical Assistance to the Ministry of Health of Mozambique  
June 1998 - April 1999

Family Planning Management Development (FPMD)  
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MANAGEMENT DEVELOPMENT PLAN  
FOR TECHNICAL ASSISTANCE  
TO THE MINISTRY OF HEALTH OF MOZAMBIQUE

JUNE 1998 - APRIL 1999

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FAMILY PLANNING MANAGEMENT DEVELOPMENT (FPMD)  
OF  
MANAGEMENT SCIENCES FOR HEALTH (MSH)

COOPERATIVE AGREEMENT NO:

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## **Table of Contents**

- 1.0 Background
- 2.0 Health financing policy development process
- 3.0 Rationale for technical assistance
- 4.0 Goals and objectives for technical assistance
- 5.0 Project management
- 6.0 Signatures

## **1.0 Background**

The health sector in Mozambique has been developing with remarkable speed since the signing of the peace agreement. The Government of Mozambique's sectoral recovery strategy and the current National Health Plan focus on improving coverage within regions, improving the availability and distribution of services, and improving quality. Key initiatives have centered primarily on reconstruction of the health network and the expansion, upgrading, and education of health personnel.

Primary Health Care (PHC) is the central strategy of the Government's health policy. The priority in the reconstruction effort has been on first level health care, to provide a basic package of preventive, promotive, and curative services. In addition to these broad areas of recovery, the management of health services, logistics and supplies (including pharmaceuticals), and building the human resources infrastructure have been at the center of post-war recovery initiatives.

The Ministry of Health (MOH) institutions have evolved, increasing their capacity to provide central planning, management, and support for the sector recovery program and for the developing structures, health services, and human resources of the sector. Institutional development activities have focused on strengthening the central, provincial, and district levels to prepare them to assume new roles in health care management.

With the achievement of success in health infrastructure rehabilitation and recovery, the MOH's attention has turned to issues of medium and long-term strategy regarding the financial sustainability of the sector. Health needs and demand among the urban and rural populations continue to increase as more facilities and services become available and as the economy continues to expand. In addition to unmet primary care needs, the ascending HIV/AIDS epidemic is only just beginning and planning now for the full extent of its impact in the years to come is underway.

The Government's current financing policy is based on the premise that all Mozambicans should have access to quality health care at a reasonable cost. Public health services are financed out of public funds, donor support, and loans. A main objective is to improve the efficiency and responsiveness of resource utilization in the sector.

Decentralization may pave the way for more flexible and more efficient management of services, but it is likely to require increased management capacity at provincial and facility levels. The liberalization of private medical practice has spawned a handful of for-profit services, but there has as yet been little interest in the not-for-profit, low cost health care market.

A cost sharing program became fully operational in 1987. Nominal consumer co-payments are charged for most services. Exemptions are used to protect the poorest. Civil servants have access to reduced co-payments or exemptions. Exemptions and discounts also exist for other categories of users. Cost sharing generates less than 5 percent of total government financed health expenditures. The government hopes to increase cost sharing to 10 percent of total health expenditures by the year 2000.

## **2.0 Health financing policy development process**

Strategic and policy-oriented health financing activities have been underway in Mozambique for several years. Past health financing initiatives have focused on considering options for meeting the future financing needs of the health sector, including expanding health insurance-related benefits under Mozambique's National Institute for Social Security, identifying ways to strengthen cost recovery through user fees, and developing management capacity at central and provincial levels, among other areas.

In February 1998, USAID collaborated with the MOH in an assessment of the health sector's readiness to proceed toward a more formal policy development process designed to establish a health financing strategy.

In a series of interviews with key stakeholders, the assessment found that there exists a broad-based commitment among MOH staff, donors, multilateral agencies, and health sector consultants to development of a sectoral financing strategy. All major bilateral donors and most multilateral agencies expressed support for the goal of developing a national health sector financing strategy. Interviewees also expressed a willingness and commitment to participate fully in a financing strategy development process. In addition, interviewees acknowledged that a health sector financing strategy is needed to support development of a comprehensive health sector plan for the period 2000-2005, which is currently being developed by the MOH. In short, the assessment concluded that the timing is right to establish a financing strategy development process.

Based on this finding, the MOH issued a memorandum establishing a process leading toward development of a national strategy for financing Mozambique's health sector. The Vice Minister of Health has approved and has agreed to lead this process that will be designed to stimulate dialogue and advance national thinking among a diverse range of stakeholders on issues in health sector financing. As an initial milestone in this process, as well as a concrete step towards formulating a national strategy for health sector financing, the Minister and Vice Minister, as well as the donor community, have agreed to hold a national meeting on health financing.

The purpose of this meeting will be to bring key decision makers and stakeholders together to outline the philosophy, scope, and content of a health sector financing strategy. The principle objectives of the first national meeting on health sector financing are to:

- Build consensus on the philosophical underpinnings of a health financing strategy;
- Build consensus on the substance of a national financing strategy for the health sector;
- Decide on whether further information or research is required and what further steps should be taken;
- Define the roles and responsibilities of all parties in subsequent follow-up steps in developing the strategy; and,
- Ensure that the financing strategy is clearly linked to the relevant institutional and organizational reforms underway in the Ministry of Health and that the strategy will improve and facilitate the implementation of the health sector development plan (current and future).

In addition to relevant government entities (e.g., Ministries of Finance and Planning Education, Labor), the meeting is proposed to involve government officials at central and provincial levels, donors, multilateral agencies, and other health sector stakeholders in the public and private sectors.

In preparation for a decision-oriented national meeting involving high level individuals, it is essential that participants have an opportunity prior to the meeting to acquire information about the status of health financing in Mozambique and to participate in dialogue with other stakeholders about theoretical and practical approaches to health financing, options for generating additional revenue, road blocks to funding health services, the ability and willingness of Mozambicans to pay for health services, and other relevant topics.

A key part of the educational activities leading up to the national meeting on health financing policy is a series of open informational exchanges on a wide range health financing-related policy issues. Invitations were sent to over 150 stakeholders and stakeholder organizations inviting their participation in a weekly series of topical meetings covering a wide range of issues of health financing policy between May 27 through November. The meetings will be designed to stimulate dialogue and advance national thinking on issues in health sector financing.

### **3.0 Rationale for technical assistance**

In the context of the health financing policy development process, the MOH requested the assistance of USAID to support health financing-related policy development activities. USAID has supported health financing-related activities in Mozambique for some time. For example, the Mission first proposed establishing a health sector financing policy development process to the MOH in 1995. It has supported technical assistance activities focusing on health financing policy development and implementation, in the areas of health insurance, user fees, and decentralization. The Mission has also agreed to fund certain logistical and other aspects of the first national meeting on health financing.

Regarding the policy development process, the MOH specifically requested USAID assistance in designing and conducting technical studies focusing on health sectoral expenditures in the public and private sectors, health sector resources and capacity, the legal and regulatory framework for the sector, and the national economic and political context in which the sector operates. The MOH Terms of Reference for this request are provided as background to the scope and boundaries of the information sought in these studies (Attachment X -- HER).

In response to the Ministry's technical assistance request, USAID convened a meeting of USAID programs conducting or participating in health care financing activities in Africa and elsewhere for the purpose of developing a strategy to meet the Ministry's needs. A series of meetings was held during the week of May 11 in Maputo with the Ministry and among the USAID participants and programs to shape a technical assistance strategy and work plan. USAID and USAID-funded programs participating in this meeting were the following:

- USAID/Maputo
- USAID Africa Bureau (USAID/AFR/SD)/Washington
- USAID REDSO/Nairobi
- Management Sciences for Health (MSH)/Boston
- Rational Pharmaceutical Management (RPM)/MSH-Washington

The USAID participants worked closely with high level Ministry of Health leadership and with technical staff of the Ministry to develop a technical scope of work that would meet the Ministry's needs.

MOH leaders recognize that more accessible, more complete, and higher quality information on the financing of the health sector is an essential ingredient in sound policy formulation and in educational exchange among stakeholders in the process of health sector reform. MOH leaders are aware that analysis of health sector financing and policy development must begin with sound assessments current financing infrastructure.

Addressing the short-term technical assistance needs of the MOH presents a significant opportunity to contribute to the success of the health financing policy development process. In addition, the requested technical assistance is of key importance to policy development in health financing in Mozambique because these data and information needs are ***not currently being***

In addition, the technical assistance presents significant opportunities to:

- Strengthen national capacity to plan and manage health sector reform
- Increase the capacity of the Ministry of Health to conduct similar health financing-related policy studies
- Increase the capacity of the MOH to use the results in policy making to improve health care
- Impact long-term health sector financial sustainability

The information gathered and synthesized in the studies will be used to answer a series of questions related to the current and future structure and financing of the health sector in Mozambique, including:

- What are the sources of financing for health services and their proportions?
- What is the range of cost and quality of care available?
- What are the obstacles or incentives to different methods of delivering care?
- What is the potential for cost-sharing mechanisms in the delivery of health care to public patients (fees, contracting arrangements, shared public-private facilities and funding etc)?

These and other important questions regarding the current status and future options for health financing in Mozambique will require various sets of data to frame the answers and to clarify the need for additional information or research.

The MOH is expected to use the information for:

- Policy development
- Increasing dialogue among health sector stakeholders
- Establishing baseline measures of health sector financing for future comparison



#### **4.0 Goals and objectives for technical assistance**

The principal aim of the requested studies is to provide sound data needed to support policy development, particularly for the First National Meeting on Health Financing. The MOH priority for technical assistance is to collect and analyze financial and economic data that will allow for solid estimates of current health expenditures and resources in both the public and private sectors.

To minimize overlap and duplication of effort, it is important to ensure that each technical assistance activity undertaken fully uses all available information and builds on existing knowledge, generating new data and building new knowledge only where necessary. At the same time, to provide data needed for policy decisions about future options for financing health care in Mozambique, some key information gaps need to be filled, particularly with regard to the size and scope of the private sector.

Public sector data are believed to be adequate to support global estimates but existing and new public sector data must be gathered, collated, synthesized, validated, and interpreted in new formats. There are significant gaps in public sector data. For example, there is a need for data on actual prices paid for public sector health care, taking into account supplemental fees often paid, to whom these fees are paid, the total value of these fees, and their effect on the cost structure of health services.

Technical assistance in gathering information describing the role of the private sector in health care financing in Mozambique is more urgent since very little information is currently available. Relevant are, for example, the overall size of the sector, its capacity and production of health services, and the sources, magnitude, and destination of resources flowing to the private sector are unknown. Also of interest are the total volume and cost of care in the for-profit private sector, including pharmacies, and the value of employer contributions to health care, including civil servants' benefits and exemptions, among other private sector information.

In both sectors, global estimates of medicine requirements are unclear.

Technical assistance should, therefore, focus on two main areas:

- 1) Collection and organization of data that will facilitate a meaningful discussion of these and other policy questions;
- 2) Assistance in using the data to address the questions using available or collected data; and,
- 3) Feasibility of routine data collection for the purpose of conducting regular reviews.

The MOH requires data collection to begin immediately and for the study to be conducted this year so that portions of the results of the HER are available to inform the process leading to the First National Meeting in November 1998 and so that the results of the HER are available for the Meeting itself.

The Ministry and USAID participants identified a scope of work that would encompass four interrelated studies defined a scope of work that would make optimal use of available data and

Draft Management Development Plan for Technical Assistance to the Ministry of Health of Mozambique - October 23, 1998

gather new data where needed to describe the current status of the sector regarding health financing and resource use, identify issues and problems, provide information needed to develop policy options and strategies, and contribute to the process of strengthening the capacity of the Ministry to utilize health expenditure and resource use information in planning and management.

These four studies will contribute needed data, information, and knowledge to the health financing policy development process and to help meet information requirements to support longer-term policy and strategy development in the financing and provision of health care in Mozambique.

The main objectives of the scope of work in support of the Ministry of Health's goals are to complete the following four studies:

**Studies to Support Policy Development  
in the Financing and Provision of Health Care in Mozambique**

- 4. Health expenditure review: review of the sources, flows, destinations, distribution, and uses (consumption) of health funds and expenditures in the public and private sectors.**
- 5. Assessment of the capacity and resources of the health sector (encompassing both the public and private sectors): identification of organizations and institutions and mapping of resources, level of activity, geographic spread, and other characteristics.**
- 6. Legal, regulatory, and policy analysis of the health sector.**
- 7. Political, economic, and social analysis of the health sector.**

These studies will provide inputs (in the form of integrated data, analyses and interpretations, and presentations and seminars) to the informational process and dialogue leading to the national seminar. However, the final report of the studies will not likely be completed by the time of the national seminar. Therefore, completion of the studies will continue after November for a limited period of time. The studies are expected to provide the foundation for other technical assistance to the MOH with relation to health financing-related policy development, strategy, and implementation.

The objective of the national seminar is to achieve a level of consensus on the direction that Mozambique should take in relation to its health financing policy and subsequent strategy. The national seminar on health financing will be held approximately the week of November 15-22, 1998. Implementation of these four studies will be done in a way that interim study results and policy implications of the studies will feed into the process an/or the national seminar; however, the final report of the studies are not likely to be completed in time by that time.

Attachment XXXX provides background and a task plan for the four studies.

## **5.0 Project management**

### **5.1 Project implementation and operation guidelines**

The project will be implemented by the parties in observance of the following guidelines:

- The project will seek to provide opportunities for local capacity building, including full participation of MOH staff in implementation and in the research, as well as training and technology transfer opportunities in the course of implementation
- The project technical team will identify and solicit the participation of counterparts where appropriate and feasible
- To the extent possible and appropriate, the project will use local resources and firms in implementation of the technical scope of work and in providing resources and supplies needed for completion of the project

### **5.2 Project roles and responsibilities**

#### **5.2.1 MOH role**

The project has been defined, organized, and funded at the request of the MOH. The MOH is the client. In this role, the MOH will be responsible for overall leadership of the project. and for uses and integration of the products of the research in the policy development process.

The project will be overseen and guided by a Reference Group established by the MOH for this purpose. The Reference Group will be constituted by the Ministry and will include senior MOH representatives who are appointed to act on behalf of and represent the Ministry in their participation in the Reference Group and in implementing the MOH's oversight and coordinating role. In addition to MOH representatives, the Reference Group will also include non-MOH participants.

The Reference Group will be made up of the following MOH representatives:

- Dr. Cossa (MOH)
- Iolanda Wane (MOH)
- Dr. Allison Beattie (MOH)
- Romão Evaristo (MOH)

Non-MOH participant advisors will include the following:

- USAID representative (Richard Osmanski)
- SDC (TBD)
- Norway (TBD)
- MSH (Josh Coburn)

Dr. Beattie will serve as operational coordinator of the Reference Group and of the technical scope of work. Day to day supervision of all studies from the MOH perspective will be handled

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by Romão Evaristo (?), with Allison Beattie's assistance and under her supervision. Iolanda Wane and Dr. Cossa will provide Mr. Evaristo with assistance on a monthly basis, or as necessary.

The role of the Reference Group, acting on behalf of the MOH, will encompass the following project leadership:

- Approve goals and objectives for the research
- Approve the overall SOW for the project, including TA and support activities: ensuring the technical soundness and consistency of the study designs, methods, and component activities of each of the four studies to be undertaken
- Lead and provide management support for the research effort
- Participate in implementation of the research, including assisting in resolving problems that arise
- Ensure that goals and activities are fully integrated and consistent with the health financing policy process, including coordinating timing of the work in relation to other key health financing policy development activities
- Quality control: approve products and reports before dissemination
- Dissemination of results: ensuring that the results are made available to a wide audience of health sector stakeholders
- Provide authorization and grant access to team members of MOH information
- Provide letter of introduction to non-public sector to request information
- Communicate nature of study and request for collaboration/participation to stakeholders

The organization, functions, and responsibilities of the Reference Group will be similar to those of the Reference Group that is guiding the financing process.

The Reference Group will meet on a schedule consistent with the implementation needs of the technical assistance (i.e., TBD).

### **5.2.1 MOH resources**

The Ministry of Health will provide the following personnel and other resources in support of the project:

Personnel support:

- Oversight and input of Ministry of Health members of the Reference Group
- An agreed upon amount of time allocated for project and technical coordination of Dr. Allison Beattie for duration of the project.
- Time from key MOH staff: Evaristo Romao, Manuel Ndimande, etc. TBD

Other resources and support:

- Access to needed information as referenced in Attachment XXXX: Project Tasks, and in the work plan.

### **5.2.2 USAID Mission role**

The USAID Mission will assist in managing the process of technical assistance to the MOH in the following roles:

- Fund the project through the FPMD program
- Participation in the project Reference Group
- Coordinate inputs and participation among the various AID family members on a logistical and managerial level
- Assist in developing goals, objectives, and products of the research
- Integrate project outcomes into the Mission's results framework
- Work with the MOH to plan strategic support to the health financing process over time
- Coordination with MOH and donors regarding studies and other related activities
- Assure project and product quality
- Coordinate with MOH and assure client satisfaction
- Solicit other donor participation if appropriate and necessary

### **5.2.3 FPMD (MSH/HFP):**

USAID has provided the Family Planning Management Development (FPMD) of Management Sciences for Health (MSH) with an earmark of \$350,000 in FY 1998 to undertake the program of technical assistance to the Ministry described in Section XXXX.

The Family Planning Management Development (FPMD) project of Management Sciences for Health (MSH), in collaboration with MSH's Health Financing Program (HFP), will have principal responsibility for implementing and managing the four projects, under the overall leadership of the MOH.

Key roles for FPMD/MSH include:

- Preparation of the project work plan and submission to the MOH and USAID for approval
- Participating in the project Reference Group
- Managing the overall process of project implementation, in collaboration with the MOH
- Establishment of project technical teams and resources needed to conduct the research, in collaboration with the MOH
- Manage the entire process, under the leadership of the MOH (Reference Group) and in collaboration with USAID
- Management of logistics for entire process
- Country management of USAID resources
- Providing the major portion of the technical assistance to the project
- Identify relevant and useful products and experiences from USAID financed activities

## **5.2 Roles regarding other USAID programs and projects**

### **5.2.1 USAID/AFR/SD**

Finance and assure appropriate technical assistance to implement the private sector study or the study of the expenditure review. Allow or invite key personnel within the MOH to participate in dissemination or training seminars supported by the Africa Bureau. Make sure the work is consistent with the AFR/SD results framework.

- Involvement in conception of the activities
- Review of drafts for technical soundness
- Identification of TA to assist in NHA and private sector studies
- Possible financing of NHA and/or private sector studies via DDM
- Dissemination and advocacy work
- Participation in workshop (to extent USAID is involved)
- Provide selected TA identified by MOH (NHA and public/private sector partnership)

### **5.2.2 Role of USAID REDSO**

Assist in implementation of the expenditure review study including its methodology and how results are fed into policy development.

- Involvement in conception of the activities
- Possible source of funding for national meeting?
- Study tours?
- Finance local participants in international fora to present findings?

### **5.2.3 RPM**

Participate in implementing any study which has a pharmaceutical-related component.

- Already working in Mozambique; track record and credibility
- Current SOW has health financing components/relevance (financing, cost recovery, fee schedules) and other relevant parts
- Possibly implement component study on private pharmacies; pharmaceutical pricing and buying behaviour, documenting drug expenditures, etc.
- Implementation of new Medicine Law relevant to RPM SOW; major component of legal/regulatory study
- Will implement elements of work plan if they fit RPM SOW, if financing can be agreed upon, and if approved to do so by MOH
- RPM activities under this SOW dependent on approval and sign-off by Pharmacy Department

### **5.2.3 URC**

- Provide access to related/relevant work and documentation in health care financing, decentralization, legal and regulatory framework assessments, etc.

## **5.3 Technical teams for each study**

Each of the four studies will have a technical team responsible for the implementation of the SOW. Each technical team will have its own supervisor for the study activities.

### **Study 1 Team**

Team technical leader: Josh Coburn

Team lead researcher: Mr. Evaristo

Team researchers: Manuel Ndimande (part time), Chichava (maybe), Robert Yates, Nathalie Le Guillozic-Zorzi, Josée Lemieux, Marco Gerritsen, Mr. Evaristo, others TBD.

### **Study 2 Team**

Team technical leader: Josh Coburn

Team lead researcher: Mr. Evaristo

Team researchers: Manuel Ndimande (part time), Chichava (maybe), Robert Yates, Josée Lemieux, others TBD

Contracted services: TBD (e.g., for LSMS analysis)

### **Study 3 Team**

Team technical leader: Allison Beattie

Team lead researcher: Contracted to legal group, including Stella Barbosa, other Mozambican lawyers TBD

Team researchers: Josée Lemieux, TBD

### **Study 4 Team**

Team technical leader: Allison Beattie

Team lead researcher: TBD

Team researchers: Frances Christie, Benedita Fernandes, Miguel de Brito, Josée Lemieux.

I propose the following kind of organigram:

Overall MOH responsibility: Iolanda Wane

Assistance with Technical supervision: H. Cossa

MOH side coordinators: Allison Beattie and Romão Evaristo

MOH participants: Manuel Ndimande, A. Chichava ? others

MSH Team Leader: Josh Coburn

Other MSH people: Josée (project manager)

## **5.4 Attribution and ownership of research output**

Project documents, reports, and information disseminated from the project will read on the cover: “Commissioned by Ministry of Health, Mozambique”. In addition, products of the research will provide proper attribution of the work to participating individuals. The specific formats for report

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attribution will be established in agreement between the parties (MOH, MSH, and USAID).  
These will include, among other information:

- Prepared by individuals by (name).
- Affiliation with .....
- Financed by USAID, unless otherwise financed.
- Logos of participating organizations, if any.
- Acknowledgment of significant contributors of individuals or organizations.